



Circular Letter

Date: February 8, 2007

California Public Employees' Retirement System
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Telecommunications Device for the Deaf
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Reference No.:

Circular Letter No.: 310-007-07

Distribution: I, IIA, IV, V, VI, X, XII

Special:

TO: EMPLOYERS COVERED BY CALPERS, EMPLOYEE ORGANIZATIONS
AND OTHER INTERESTED PARTIES

SUBJECT: MEETING NOTICE OF THE CALPERS BOARD OF ADMINISTRATION,
ITS COMMITTEES AND ADVISORY PANELS

The CalPERS Board of Administration, its Committees and Advisory Panels are scheduled to meet on the following days in February. All meetings will be held in public session unless otherwise noted.

Investment Committee

Date and Time: Tuesday, February 20, 2007, 8:30 a.m.

Location: Room 1150, Lincoln Plaza North, 400 Q Street, Sacramento, CA

The Committee will meet in closed session to discuss personnel and investment matters pursuant to Government Code sections 11126(a)(1) and (c)(16).

Investment Committee

Date and Time: Tuesday, February 20, 2007, 9:00 a.m. or upon adjournment or recessing of the Investment Committee closed session, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

A closed session will be held upon adjournment or recessing of the open session to consider investment matters pursuant to Government Code sections 11126(c)(16) and pending and potential litigation pursuant to section 11126(e).

Ad Hoc Board Member Elections Committee

Date and Time: Tuesday, February 20, 2007, 11:00 a.m. or upon adjournment or recessing of the Investment Committee meeting, whichever is later

Location: Room 1140, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Policy Subcommittee of the Investment Committee

Date and Time: Tuesday, February 20, 2007, 1:00 p.m. or upon adjournment or recessing of the Ad Hoc Board Member Elections Committee, whichever is later

Location: Room 1140, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Benefits and Program Administration Committee

Date and Time: Wednesday, February 21, 2007, 9:00 a.m.

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Health Benefits Committee

Date and Time: Wednesday, February 21, 2007, 9:30 a.m. or upon adjournment or recessing of the Benefits and Program Administration Committee meeting, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

The Committee will meet in closed session to discuss 2008 health plan contract negotiations pursuant to Government Code section 11126(c)(17).

Finance Committee

Date and Time: Wednesday, February 21, 2007, 11:00 a.m. or upon adjournment or recessing of the Health Benefits Committee meeting, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Performance and Compensation Committee

Date and Time: Wednesday, February 21, 2007, 11:30 a.m. or upon adjournment or recessing of the Finance Committee meeting, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Board of Administration

Date and Time: Thursday, February 22, 2007, 8:00 a.m.

Location: Room 1150, Lincoln Plaza North, 400 Q Street, Sacramento, CA

The Board will meet in closed session to discuss personnel matters pursuant to Government Code sections 11126(a)(1) and (g)(1).

Board of Administration

Date and Time: Thursday, February 22, 2007, 9:00 a.m. or upon adjournment or recessing of the closed session of the Board of Administration, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

A closed session will be held to discuss pending litigation pursuant to Government Code section 11126(e)(2)(A), *Karen Matus, individually and in various representative capacities as Trustee, Executor, and Personal Representative, Alexander Family Trust, et al. v. Board of Administration of CalPERS, et al.*, Sacramento County Superior Court No. 06CS01759.

Board of Administration

Date and Time: Thursday, February 22, 2007, 9:30 a.m. or upon adjournment or recessing of the Board of Administration meeting, whichever is later

Location: Room 1140, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Board members will attend an Ethics Workshop.

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Items scheduled for the public sessions of the meetings are listed on the attached agendas. This information is also available on the CalPERS website at www.calpers.ca.gov. Questions pertaining to the meetings in February may be directed to Lanette Hunt at 916/795-3829.

The Board would be pleased to have you or representatives of your agency at the public sessions. The facilities are accessible to persons with disabilities. Requests for sign language or captioning services require a minimum of 72 hours notice. To request service, please call 916/795-3065 (voice or TTY).

FRED BUENROSTRO
Chief Executive Officer

Attachments

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

INVESTMENT COMMITTEE

February 20, 2007

8:30 a.m.

Lincoln Plaza North
400 Q Street
Auditorium
Sacramento, CA

COMMITTEE MEMBERS

Charles Valdes, Chair
George Diehr, Vice Chair
Marjorie Berte
Robert F. Carlson
John Chiang
Rob Feckner
David Gilb
Bill Lockyer
Priya Mathur
Tony Oliveira
Mike Quevedo, Jr.
Kurato Shimada
Maeley L. Tom

CLOSED SESSION	8:30 a.m. Chief Investment Officer's Briefing on Market and Personnel Issues (Government Code sections 11126(a)(1) and (c)(16))
OPEN SESSION	9:00 a.m.
CLOSED SESSION	Upon Adjournment or Recess of Open Session (Government Code sections 11126(c)(16) and 11126(e))

AGENDA

OPEN SESSION

- | | | |
|-------------|-----|---|
| | 1. | Call to Order and Roll Call |
| Action | 2. | Approval of the December 18, 2006 Open Session Minutes |
| | 3. | Total Fund |
| Information | a. | Commodities Consultant |
| | 4. | Real Estate |
| Action | a. | Spring-Fed Pool Consultant Recommendation |
| Action | b. | Real Estate Consolidated Delegation |
| | 5. | Alternative Investment Management (AIM) Program |
| Action | a. | AIM Consolidated Delegation |
| Information | b. | California Initiative Update |
| | 6. | Global Fixed Income |
| Information | a. | Credit Enhancement Program Annual Review |
| | 7. | Global Equity |
| Action | a. | Emerging Managers Fund-of-Funds Recommendation |
| Information | b. | Permissible Equity Market Investment Analysis Update |
| Information | c. | Corporate Governance – Foreign Emerging Markets |
| Action | d. | Legislative Reports: Holocaust Era and Northern Ireland Annual Reports |
| Information | e. | Corporate Governance – Executive Compensation |
| Information | f. | Corporate Governance Update |
| | 1) | Comment Letter – Proposed PCAOB Rule on the Audit of Internal Controls Over Financial Reporting |
| | 8. | Policy Subcommittee Report |
| Consent | a. | Fixed Income Policy – Repeal of Foreign Exchange Transactions |
| Consent | b. | Equity Policy – Revision of Representation on Corporate Boards of Directors |
| | 9. | Chief Investment Officer's/Assistant Executive Officer's Report |
| Consent | a. | Consolidated Investment Activity Report |
| Information | b. | Assistant Executive Officer's Status Report |
| Information | 10. | Draft Agenda for March 12, 2007 |
| | 11. | Public Comment |

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Subcommittee meeting held immediately prior to this meeting may be reported on or presented to the Investment Committee for its consideration.

AGENDA

CLOSED SESSION Upon Adjournment or Recess of Open Session
(Government Code sections 11126(c)(16) and 11126(e) [Item No. 7 only])

- | | | |
|---|----|--|
| | 1. | Call to Order and Roll Call |
| Action | 2. | Approval of the December 18, 2006 Closed Session Minutes |
| Information | 3. | Real Estate
a. Towers Project Update |
| Action
Information | 4. | Alternative Investment Management (AIM) Program
a. Healthcare Investment Initiative
b. Pacific Corporate Group Update |
| Information | 5. | Global Fixed Income
a. External Manager Update |
| Information
Action
Information
Information | 6. | Global Equity
a. External Manager Update
b. Corporate Governance – Executive Compensation Strategic Plan: Director Withhold Vote Initiative
c. Corporate Governance – Executive Compensation
d. Corporate Governance Update
1) Proxy Access |
| Information | 7. | Pending and Potential Litigation – <i>CalPERS v. UnitedHealth Group, et al.</i> (United States District Court, District of Minnesota, Case No. No. 06-1691 (JMR/FLN); and potential actions regarding backdated stock options |
| Information | 8. | Chief Investment Officer's/Assistant Executive Officer's Report
a. Status of Action Items Not Yet Reported |
| Consent | 9. | Activity Reports
a. Alternative Investment Management Program
b. Risk Managed Absolute Return Strategies Program
c. Public Markets |

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

AD HOC BOARD MEMBER ELECTIONS COMMITTEE

February 20, 2007

11:00 a.m.

**or Upon Adjournment or Recess of the
Investment Committee, Whichever is Later**

Lincoln Plaza North
400 Q Street
Room 1140
Sacramento, CA

COMMITTEE MEMBERS

Kurato Shimada, Chair
Marjorie Berte, Vice Chair
George Diehr
Rob Feckner
Tony Oliveira

AGENDA

- | | |
|----------------------------|---|
| | 1. Call to Order and Roll Call |
| | 2. Approval of October 17, 2006 Meeting Minutes |
| Information
Rick Nelson | 3. Board Member Elections Process |
| Information
John Hiber | 4. Proposed Agenda (Date to be determined) |
| | 5. Public Comment |

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item properly noticed for this Committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

**POLICY SUBCOMMITTEE
OF THE INVESTMENT COMMITTEE**

February 20, 2007

1:00 p.m.

**or Upon Adjournment or Recess of the
Ad Hoc Board Member Elections Committee Meeting, Whichever is Later**

Lincoln Plaza North
400 Q Street
Room 1140
Sacramento, CA

COMMITTEE MEMBERS

Priya Mathur, Chair
Marjorie Berte, Vice Chair
Robert F. Carlson
Tony Oliveira
Charles Valdes

AGENDA

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|----------------------------|--|
| | 1. Call to Order and Roll Call |
| Action | 2. Approval of the December 15, 2006 Meeting Minutes |
| | 3. Global Equity |
| Action / M. Cottrill | a. Revision of Manager Development Program (MDP)
Manager Graduation Policy |
| Action / M. Cottrill | b. Adoption of Supplement to Permissible Equity for
Emerging Equity Markets Policy |
| Action / K. Silberstein | c. Revision of Risk Managed Absolute Return Strategies
Program Policy |
| Action / D. Johnson | d. Revision of Global Proxy Voting Policy, Corporate
Governance Core Principles and Guidelines, and
Global Corporate Governance Principles (Second
Reading) |
| Action / D. Johnson | e. Adoption of Corporate Governance Director
Nominations Policy |
| | 4. Administrative |
| Information / A. Stausboll | a. Investment Office Policy / Delegations Review Project
Update |
| Information | b. Proposed April 2007 Agenda |
| | 5. Public Comment |

Note: Items designated for information are appropriate for Subcommittee action if the Subcommittee wishes to take action. Any agenda item acted upon at this Subcommittee meeting may be brought to the Investment Committee at its next regularly scheduled meeting. Items are noticed for action after a first reading. The Committee is free, however, to request a second reading of any item before approving it.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE

February 21, 2007

9:00 a.m.

Lincoln Plaza North
400 Q Street
Auditorium
Sacramento, CA

COMMITTEE MEMBERS

Kurato Shimada, Chair
Rob Feckner, Vice Chair
Robert F. Carlson
John Chiang
George Diehr
David Gilb
Priya Mathur
Tony Oliveira
Maeley L. Tom

AGENDA

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|---------------------------|----|---|
| | 1. | Call to Order and Roll Call |
| | 2. | Approval of the December 19, 2006 Benefits and Program Administration Committee Meeting Minutes |
| Action/Peter Mixon | 3. | Conflict of Interest and Disclosure Proposals |
| Action/Ron Seeling | 4. | 2006 Cost-of-Living Report |
| Information/Rick Nelson | 5. | Summary of the 2006 Board Elections |
| Information/Kathie Vaughn | 6. | Member and Benefit Services Branch Effectiveness Measures 2 nd Quarter |
| Information/Ron Seeling | 7. | Chief Actuary Report |
| Information/Kathie Vaughn | 8. | Assistant Executive Officer Report |

Information/Kathie Vaughn

9. Draft Agenda for March 13, 2007 Benefits and Program
Administration Committee Meeting

10. Public Comment

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action.
Any agenda item properly noticed for this committee meeting may be brought to the full Board at its next regularly
scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

HEALTH BENEFITS COMMITTEE

February 21, 2007

9:30 a.m.

**or Upon Adjournment or Recess of the Benefits and Program
Administration Committee Meeting, Whichever is Later**

Lincoln Plaza North
400 Q Street
Auditorium
Sacramento, CA

COMMITTEE MEMBERS

George Diehr, Chair
Priya Mathur, Vice Chair
Marjorie Berte
John Chiang
Rob Feckner
David Gilb
Bill Lockyer
Tony Oliveira
Charles Valdes

**CLOSED SESSION: Upon Adjournment or Recessing of Open Session,
CLOSED SESSION TO DISCUSS 2008 HEALTH PLAN
CONTRACT NEGOTIATIONS (Government Code section
11126(c)(17))**

AGENDA

1. Call to Order and Roll Call
2. Announcement of Closed Session To Discuss 2008 Health Plan Contract Negotiations
3. Approval of December 19, 2006, Health Benefits Committee Meeting Minutes
4. State Legislative Proposal: Actual Provider Claims Payment Information
5. Implementation of Other Post-Employment Benefits (OPEB) Pre-funding Program

Action Item/Wendy
Notsinne

Action/Ken Marzion

Time Certain: 10:30 a.m.	6.	Special Session: Request for Proposal – Third Party Medical Administrator for Self-Funded Plans Semi-Finalist Interviews and Selection
Information/Sandra Felderstein	7.	2006 Open Enrollment Statistics
Information/Debbie Bennett	8.	Second Reading – Blue Shield of California’s Exclusive Provider Organization and Direct Contract Counties
Information/Debbie Bennett	9.	Second Reading – Blue Shield of California’s HMO High Performance Network Option for 2008
Information/Stacie Sormano	10.	First Reading – Potential 2008 Health Program Benefit Design
Information/Bill Alameda	11.	2006 Third Quarter Self-Funded Health Plans Financial Report
Information/Sandra Felderstein	12.	Assistant Executive Officer Report
Information	13.	Proposed Agenda for March 13, 2007, Health Benefits Committee Meeting
Information	14.	Public Comments

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item acted upon at this committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

FINANCE COMMITTEE

February 21, 2007

11:00 a.m.

**or Upon Adjournment or Recess of the
Health Benefits Committee Meeting, Whichever is Later**

Lincoln Plaza North
400 Q Street
Auditorium
Sacramento, CA

COMMITTEE MEMBERS

Robert F. Carlson, Chair
Marjorie Berte
John Chiang
Bill Lockyer
Tony Oliveira
Kurato Shimada
Charles Valdes

AGENDA

1. Call to Order and Roll Call
2. Approval of December 19, 2006 Meeting Minutes

AUDITS

Information
Larry Jensen

3. Chief Auditor's Report

Action
Larry Jensen

4. Management Letter for the Year Ending June 30, 2006

COMPLIANCE

Information
Sherry Johnstone

5. Chief Compliance Officer's Annual Report

Information
Sherry Johnstone

6. Compliance Office Report

INFORMATION TECHNOLOGY SERVICES

Information
Gene Reich

7. Information Technology Services Status Report

BUDGETS

Action
Russell Fong

8. Fiscal Year 2006-07 Mid-Year Budget Revisions
(Second Reading)

Action
Russell Fong

9. Budget and Expenditure Report for the Second Quarter of
Fiscal Year 2006-07

Information
Lyn Vice

10. Current Budget Issues

DIVERSITY

Information
Lindy E. Plaza

11. CalPERS Business Connection Small Business and DVBE
Contract Participation

Information
Lindy E. Plaza

12. CalPERS Business Connection Small Business
Communication and Outreach Plan

Information
Lindy E. Plaza

13. CalPERS Diversity Outreach Committee

ADMINISTRATIVE SERVICES

Information
Rick Nelson

14. Annual Consulting and Services Contracts Report

Information
John Hiber

15. Assistant Executive Officer Report

Information
John Hiber

16. Proposed March 2007 Agenda

17. Public Comment

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item properly noticed for this Committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

PERFORMANCE AND COMPENSATION COMMITTEE

February 21, 2007

**11:30 a.m.
or Upon Adjournment or Recess
of the Finance Committee Meeting, Whichever is Later**

Lincoln Plaza North
400 Q Street
Auditorium
Sacramento, California

COMMITTEE MEMBERS

Priya Mathur, Chair
Tony Oliveira, Vice Chair
Robert F. Carlson
David Gilb
Bill Lockyer
Kurato Shimada
Charles Valdes

AGENDA

OPEN SESSION

- | | | |
|---------------------------|----|---|
| | 1. | Call to Order and Roll Call |
| | 2. | Approval of the December 15, 2006 Performance and Compensation Committee Meeting Minutes |
| Action/Chris O'Brien | 3. | Second Quarter Status Reports on Performance Plans of the Chief Executive Officer, Chief Actuary, Chief Investment Officer and His Direct Reporting Staff |
| Information/Chris O'Brien | 4. | Changes in Senior Portfolio Manager and Portfolio Manager Performance Plans |
| Action/Chris O'Brien | 5. | 2006-2007 Performance Plan for Recently Appointed Senior Investment Officer, Real Estate (First Reading) |
| Action/Chris O'Brien | 6. | 2006-2007 Performance Plan for Recently Appointed Senior Portfolio Manager, Asset Allocation / Risk Management (First Reading) |

Action/Chris O'Brien	7.	Salary Proposal for Chief Operating Investment Officer
Information/Chris O'Brien	8.	Human Resources Division Report
Information/Chris O'Brien	9.	Proposed May 2007 Agenda
Information/Chris O'Brien	10.	Public Comment

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item acted upon at this committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

February 22, 2007

9:00 a.m.

Lincoln Plaza North
400 Q Street
Auditorium
Sacramento, CA

MEMBERS

Rob Feckner, Chair
Robert F. Carlson, Vice Chair
Marjorie Berte
John Chiang
George Diehr
David Gilb
Bill Lockyer
Priya Mathur
Tony Oliveira
Mike Quevedo, Jr.
Kurato Shimada
Maeley L. Tom
Charles Valdes

AGENDA

CLOSED SESSION Chief Executive Officer's Briefing on Performance and Personnel
8:00 A.M. Issues
(Gov. Code secs.
11126(a)(1) and
(g)(1))

OPEN SESSION
9:00 A.M. OR UPON ADJOURNMENT OF CLOSED SESSION, WHICHEVER IS
LATER

1. Call to Order and Roll Call
2. Pledge of Allegiance

3. Announcement of Closed Session (Gov. Code section 11126(e)(2)(A)), *Karen Matus, individually and in various representative capacities as Trustee, Executor, and Personal Representative, Alexander Family Trust, et al. v. Board of Administration of CalPERS, et al.*, Sacramento County Superior Court No. 06CS01759.
4. Approval of the December 20, 2006 Meeting Minutes
5. Election of President and Vice President for Calendar Year 2007

INVESTMENTS

- | | |
|----------|--------------------------------------|
| Mr. Read | 6. Chief Investment Officer's Report |
|----------|--------------------------------------|

Committee Reports (Any Agenda Item from a Properly Noticed Committee Meeting Held Prior to this Meeting May be Reported on or Presented to the Board for its Consideration).

- | | |
|-------------|---|
| Mr. Valdes | 7. Investment Committee (Oral) |
| Mr. Shimada | 8. Benefits and Program Administration Committee (Oral) |
| Mr. Diehr | 9. Health Benefits Committee (Oral) |
| Mr. Carlson | 10. Finance Committee (Oral) |
| Ms. Mathur | 11. Performance and Compensation Committee (Oral) |
| Mr. Feckner | 12. Ad Hoc Board Governance Committee (Oral) |
| Mr. Shimada | 13. Ad Hoc Board Elections Committee (Oral) |

General

- | | |
|----------------|---|
| Mr. Buenrostro | 14. Board Meeting Calendar |
| Mr. Buenrostro | 15. Chief Executive Officer's Report (Oral) |

Governmental Affairs

- | | |
|---------------|---|
| Ms. Notsinneh | 16. Board's State Legislative Program/Board's Position on State Legislation |
| Ms. Notsinneh | 17. Board's Federal Legislative Program/Board's Position on Federal Legislation |

Legal

- | | | |
|-----------|-----|--|
| Mr. Mixon | 18. | Proposed Decisions of Administrative Law Judges
A. Lyle Murphy
B. Dean Manders
C. Mary K. Blake |
| Mr. Mixon | 19. | General Counsel's Report
A. Monthly New Case Report
B. Assignment Matrix |

Other

- | | | |
|----------------|-----|---|
| Mr. Feckner | 20. | Board Travel Approvals |
| Mr. Buenrostro | 21. | Draft Agenda for March 14, 2007 Meeting |
| | 22. | New Business Agenda Setting |
| | 23. | Public Comment |

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Committee meeting held immediately prior to this Board meeting may be considered by the Board.